



Billing Code: 4310-MR

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2014-0096; MAA104000]

Notice of Availability (NOA) of and Request for Comments on the Draft Proposed Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017-2022 (DPP)

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Notice of Availability and Request for Comments.

SUMMARY: BOEM is announcing the availability of and requests comments on the Draft Proposed Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017-2022 (DPP).

This draft proposal is for the 2017–2022 OCS Oil and Gas Leasing Program that will succeed the current 2012–2017 Program. The DPP provides the basis for gathering information and conducting analyses to inform the Secretary of the Interior (Secretary) on which areas to include for further leasing consideration in the 2017–2022 Program.

Section 18 of the OCS Lands Act (43 U.S.C. 1344) specifies a multi-step process of consultation and analysis that must be completed before the Secretary may approve a new Five-Year Program. The required steps following this notice include the development of a Proposed Program (PP), Proposed Final Program (PFP), and Secretarial approval. In conjunction with this notice, BOEM is publishing a Notice of Intent (NOI) to prepare a Programmatic Environmental Impact Statement (PEIS) for the 2017–2022 Program, pursuant to the National Environmental Policy Act (NEPA).

DATES: Please submit comments and information to BOEM no later than [INSERT DATE]

WHICH IS 60 DAYS FROM PUBLICATION OF THIS NOTICE].

FOR FURTHER INFORMATION CONTACT: Ms. Kelly Hammerle, Five-Year Program Manager, at (703) 787-1613.

Public Comment Procedure

BOEM will accept comments in one of two formats: Federal internet commenting system or regular mail. BOEM's preference is to receive comments via the internet commenting system. Comments should be submitted using only one of these formats, and include full names and addresses of the individual submitting the comment(s). Comments submitted by other means may not be considered. BOEM will not consider anonymous comments. BOEM will make available for public inspection all comments submitted by organizations and businesses, or by individuals identifying themselves as representatives of organizations or businesses, subject to the limitations described in this Notice with respect to personal information and proprietary/privileged/confidential information.

BOEM's practice is to make comments, including the names and addresses of individuals, available for public review. An individual commenter may ask that BOEM withhold from the public record his or her name, home address, or both, and BOEM will honor such a request to the extent allowable by law. If individuals submit comments and desire withholding of such information, they must so state prominently at the beginning of their submission.

In order to ensure security and confidentiality of proprietary information to the maximum extent possible, BOEM requests that proprietary information only be sent by mail. In addition to prominently stating that proprietary information is contained in a comment at the beginning of the submission, comments should be sent in a plain outer envelope with an inner envelope stating that proprietary information is contained within.

Commenting via Internet

Internet comments should be submitted via the Federal eRulemaking Portal at <http://www.regulations.gov>. BOEM requests that commenters follow these instructions to submit their comments via this website:

- (1) In the search tab on the main page, search for BOEM-2014-0096.
- (2) Locate the document, then click the “Submit a Comment” link either on the Search Results page or the Document Details page. This will display the Web comment form.
- (3) Enter the submitter information and type the comment on the Web form. Attach any additional files (up to 10MB). (Please do not provide proprietary or confidential comments via the Internet.)
- (4) After typing the comment, click the “Preview Comment” link to review. Once satisfied with the comment, click the “Submit” button to send the comment.

Information on using regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “User Tips” link.

Commenting via Regular Mail

Mail comments and information on the 2017–2022 Program to Ms. Kelly Hammerle, Five-Year Program Manager, BOEM (HM-3120), 381 Elden Street, Herndon, Virginia 20170. As stated above, if commenters submit any privileged or proprietary information to be treated as confidential, in addition to prominently stating proprietary information is contained in a comment at the beginning of the submission, comments should be sent in a plain outer envelope with an inner envelope stating that proprietary information is contained within. BOEM will post all comments on regulations.gov for public viewing, subject to the limitations described in this

Notice with respect to personal information and proprietary/privileged/confidential information.

SUPPLEMENTARY INFORMATION: BOEM requests comments from states, local governments, Federal agencies, Native groups, tribes, the oil and gas industry, environmental and other public interest organizations, non-energy industries, all other interested parties, and the public to assist in the continued preparation of the 2017–2022 Program and PEIS. The DPP and supplemental information may be viewed on and downloaded from the BOEM website at www.BOEM.gov/Five-Year-Program-2017-2022. Additionally, BOEM has created a website for the development of the PEIS, which can be found at www.boemoceaninfo.com.

Background

Section 18 of the OCS Lands Act requires the Secretary to prepare and maintain a schedule of proposed OCS oil and gas lease sales determined to “best meet national energy needs for the 5-year period following its approval or reapproval.” This DPP is the first of three proposed leasing schedules for OCS lease sales under the 2017–2022 Program. The areas identified in the DPP were chosen after careful consideration of the factors specified in Section 18 of the OCS Lands Act and the comments received in response to the Request for Information and Comments (RFI) published in the *Federal Register* on June 16, 2014 (79 FR 34349). Inclusion of areas in the DPP lease sale schedule provides a basis for gathering information and conducting analyses to inform policy makers on whether to include these areas for further leasing consideration in the 2017–2022 Program. Only those areas and options that the Secretary decides are appropriate to include in the DPP will be further analyzed for the PP and the associated Draft PEIS. Before the new Program is approved and implemented, BOEM will accept and consider comments on the DPP and issue for public review a PP, accompanied by a Draft PEIS. After the opportunity for public comment on those documents, BOEM will conduct

additional analyses and subsequently issue a PFP decision document, accompanied by a Final PEIS. The PFP and Final PEIS will be submitted to the President and Congress at least 60 days prior to Secretarial approval of the 2017–2022 Program.

Summary of the Draft Proposed Program

The lease sale options chosen in the DPP consist of 14 potential lease sales in eight OCS planning areas: ten sales in the three Gulf of Mexico (GOM) planning areas for the areas not subject to Congressional moratorium; one sale each in the Chukchi Sea, Beaufort Sea, and Cook Inlet Planning Areas, offshore Alaska; and one sale in a portion of the combined Mid-Atlantic and South Atlantic Planning Areas (see Table 1).

This DPP reflects a continuation of the leasing strategy set forth in the current 2012–2017 Program, with additional proposed flexibility in the Gulf of Mexico. The schedule is tailored so the dual goals of promoting prompt development of the Nation’s oil and gas resources with the necessary protections for the marine, coastal, and human environments can be best achieved for each specific OCS region. This region-specific strategy is reflected in the DPP’s approach to offshore areas across the Nation’s OCS, including the current knowledge of resource potential, accommodation of regional interests and concerns, and the need for a balanced approach to our use of natural resources. The options in the DPP involve sales in offshore areas that have the highest oil and gas resource values, highest industry interest, or are off the coasts of states that expressed interest in learning more about the potential for energy exploration off their coasts, while recognizing potential environmental impacts, concerns, and competing uses of ocean and coastal areas.

Table 1: 2017–2022 Draft Proposed Program Lease Sale Schedule

	Year	Planning Area	Sale Number
1.	2017	Gulf of Mexico Region	249
2.	2018	Gulf of Mexico Region	250
3.	2018	Gulf of Mexico Region	251
4.	2019	Gulf of Mexico Region	252
5.	2019	Gulf of Mexico Region	253
6.	2020	Gulf of Mexico Region	254
7.	2020	Beaufort Sea	255
8.	2020	Gulf of Mexico Region	256
9.	2021	Gulf of Mexico Region	257
10.	2021	Cook Inlet	258
11.	2021	Gulf of Mexico Region	259
12.	2021	Mid-Atlantic and South Atlantic	260
13.	2022	Gulf of Mexico Region	261
14.	2022	Chukchi Sea	262

Gulf of Mexico Region

The DPP’s Gulf of Mexico options identified for further detailed analysis in the PP and Draft PEIS include ten region-wide sales: one sale each in 2017 and 2022; and two sales each in 2018, 2019, 2020, and 2021; offering all available unleased acreage not subject to Congressional moratorium in the combined Western, Central, and Eastern Gulf of Mexico Planning Areas in each sale. See Figure 1. BOEM is proposing this change from the traditional separate planning area-wide sales to a region-wide approach to balance agency workload and provide greater flexibility to industry, including the ability to respond to the significant recent energy reforms in Mexico that have the potential to meaningfully change how exploration and development decisions are made in the GOM.

Alaska Region

In Alaska, the DPP continues to take a balanced approach to development by utilizing the targeted leasing strategy set forth in the current Program by identifying one sale each in the

Beaufort Sea (2020), Cook Inlet (2021), and Chukchi Sea (2022) Planning Areas (see Figure 2).

Potential sales in the three Alaska program areas are scheduled late in the five-year period to provide additional opportunity to evaluate and obtain information regarding environmental issues, subsistence use needs, infrastructure capabilities, and results from any exploration activity associated with existing leases.

A potential Beaufort Sea sale is scheduled in 2020 in a program area that excludes the Barrow and Kaktovik whaling deferral areas that were excluded in the current Program as well as the 2007–2012 Program. The DPP schedules a potential Chukchi Sea sale in 2022 that excludes the 25-mile coastal buffer and subsistence deferral areas that were also excluded in the current Program. A potential Cook Inlet sale is scheduled for 2021 in a program area that includes only the northern portion of the Cook Inlet OCS Planning Area. This option balances the protection of endangered species, as identified in 2013 in the 2013 Cook Inlet Lease Sale 244 Area Identification, with the availability for leasing of the areas with significant resource potential and industry interest.

On December 16, 2014, the President withdrew, for a time period without a specific expiration, the North Aleutian Basin Planning Area from further consideration of leasing of oil and gas for the purposes of exploration, development, and production. There also will be no further leasing consideration in the other 11 Alaska OCS planning areas with either negligible resources or negligible resource development value. See Figure 2.

Atlantic Region

In the Atlantic Region, the DPP schedules one lease sale in a portion of the Mid-Atlantic and South Atlantic Planning Areas in 2021. The DPP proposes one sale late in the Program at least 50 miles offshore the coasts of Virginia, North Carolina, South Carolina, and Georgia in the

Mid-Atlantic and South Atlantic Planning Areas. This option allows for consideration of a targeted area with significant resource potential, while limiting potential impacts to the environment and other uses of the ocean. Scheduling the potential sale late in the Program allows time for additional analyses, including the collection of additional seismic and environmental information. See Figure 1.

Pacific Region

No lease sale options have been identified in the Pacific Region for additional analysis. The exclusion of the Pacific Region is consistent with the long-standing interests of Pacific coast states, as framed in the 2006 West Coast Governors Agreement on Ocean Health. This agreement expressed the governors' opposition to oil and gas development off their coasts, and these states have continued to voice concerns, including in formal comments on the RFI.

Assurance of Fair Market Value

Section 18 of the OCS Lands Act requires receipt of fair market value from OCS oil and gas leases. BOEM plans to continue to use the two-phase post-sale bid evaluation process that it has used since 1983 to meet the fair market value requirement. However, BOEM is considering a change to the post-sale bid evaluation process [see Federal Register Notice, October 17, 2014, (79 FR 62461)]. Further, the DPP provides that BOEM may set minimum bid levels, rental rates, and royalty rates by individual lease sale based on its assessment of market and resource conditions closer to the date of the sale.

Information Requested for the Draft Proposed Program

We request comments on the size, timing, and location of leasing. Respondents who submitted information in response to the June 16, 2014, *Federal Register* Notice, which requested comments on preparing the Five Year Program, may wish to refer to that previously

submitted information, as appropriate, rather than repeat it in their comments on the DPP. We also invite comments and suggestions on how to proceed with the Section 18 analysis in the Proposed Program.

Next Steps in the Process

BOEM currently plans to issue the Proposed Program and Draft PEIS in 2016, followed by a public comment period.

Dated: January 7, 2015.

Abigail Ross Hopper,
Director, Bureau of Ocean Energy Management.

Figure 1: 2017–2022 Lower 48 Draft Proposed Program Areas

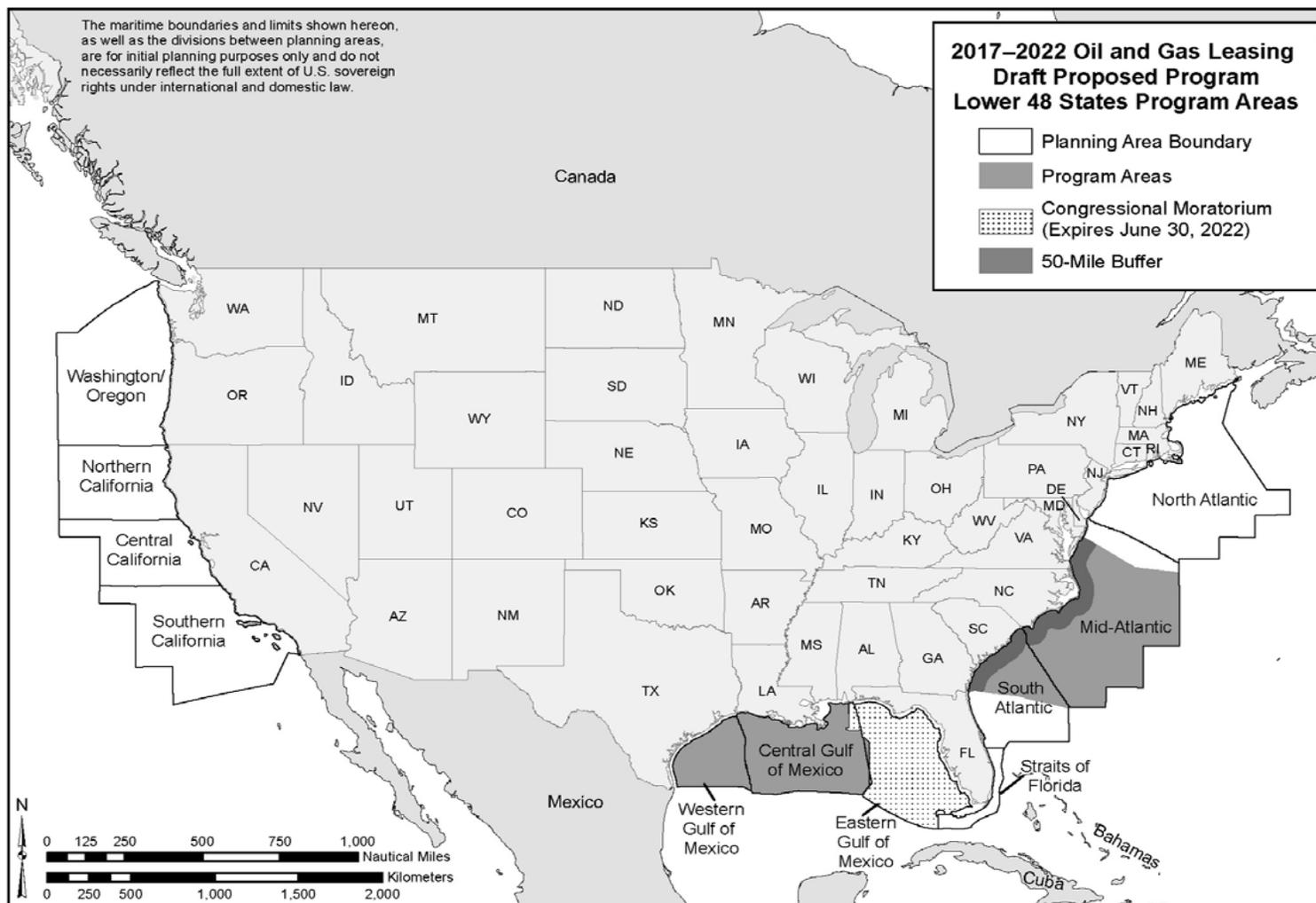
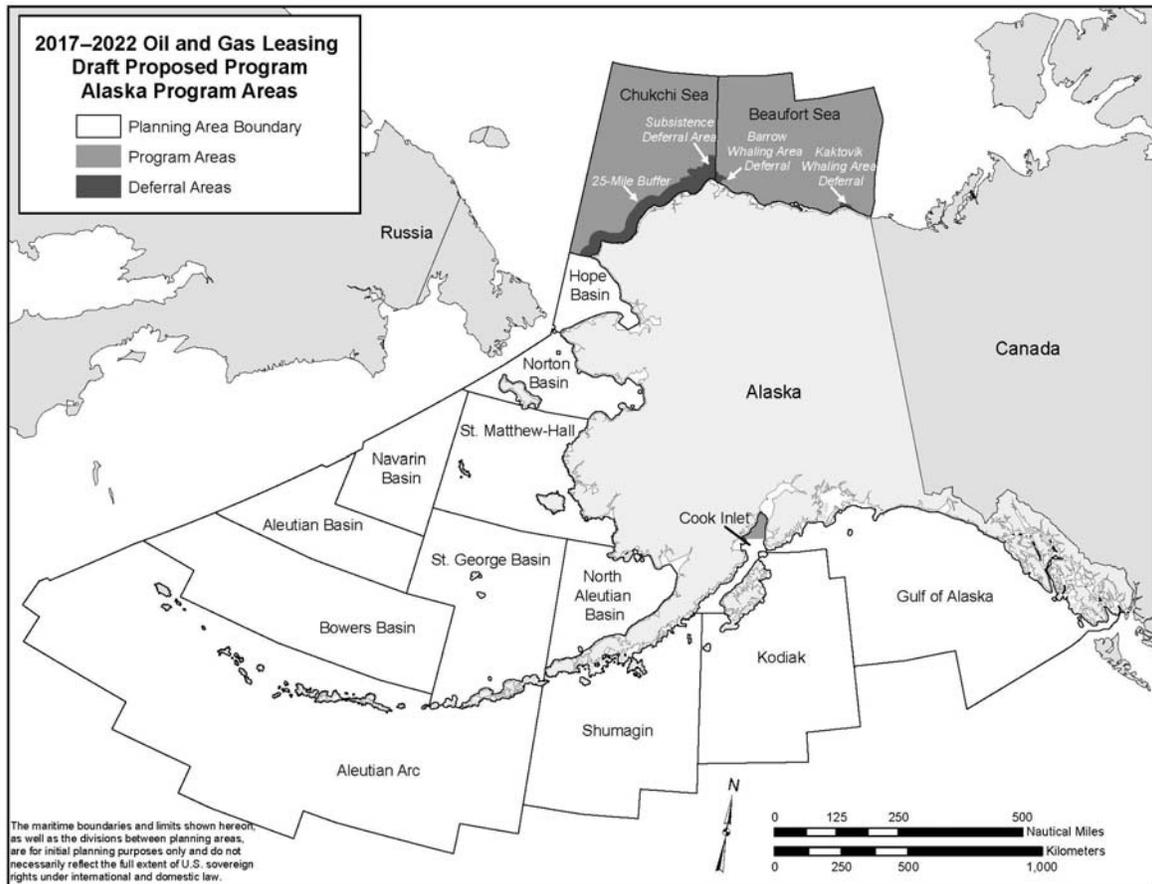


Figure 2: 2017–2022 Alaska Draft Proposed Program Areas



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